

people we employ to make judgments for us, showing us that there will be an 18 million dollar deficit at the end of 7175. If we continue with a 2½% and 11%. These are statistics that have been provided us by those that work with the budget, and I don't claim to have the expertise there. This was made about a month ago, or a month and a half ago and the key figure is the 282, which is the estimated appropriation for 1974-75. I was apprised just yesterday that the budget recommendations at this time are about 280 million. They show the estimated appropriations are extremely close to what figure has been used in this particular document prepared by the fiscal staff's office. So the question is very simple. If we have 11% we have an 18 million dollar deficit. If we do not, then we should start talking in terms of how we are going to make that up. Now I know the easy way to operate. The easy way to operate is forget it until after the elections. That is no new story. We certainly don't have the corner on the market on that. The Congress of the United States has been using that tactic ever since I can recall or even read about it. During election year you cut taxes and increase programs. The problem that we face is that if that happens next time, there are about three problems. Number one, the raise will take place and you are going to have to provide an increase in a half a year to make up for a full year, which means that in order to pick up two percentage points, if that is what you need, you are going to have to go to four to parlay that kind of money in half the time. I also remind you that the first half of the year you get about 28-29% of your collections in. Now there are some other problems in what kind of balances that we will have at the end, but I remind you that there is a reappropriated money involved in balances and the 12.5 million dollars of statutory surplus that we need. The question is this. It is a simple question. We don't have the dollars available during this year to provide the programs that are or have been recommended with 11%. Lets make it painless as possible, lets get it to 13 and move forward to the business at hand.

PRESIDENT: Chair recognizes Senator Carpenter.

SENATOR CARPENTER: The only reason I rise at this point is that I don't want the Senator to give you the wrong impression. He brought in the fiscal analyst which is under the direct control of the Executive Board. First what do you mean by on-coming programs?

PRESIDENT: Senator Lewis.

SENATOR LEWIS: Senator Carpenter, I would refer you to the fiscal analyst report on page 13 of that report on estimated general fund revenues for 1974-75 and that on-going program includes the budget recommendations of the fiscal analyst listed in budget recommendations to the operations of state government, 1974-75.

SENATOR CARPENTER: You are not trying to say that we do not have enough money in order to pay all of the expenditures up to June the 30th of the present year?

SENATOR LEWIS: No, I certainly am not.

SENATOR CARPENTER: So we are talking about what we are going to spend the next bi-annual.

SENATOR LEWIS: Yes sir.